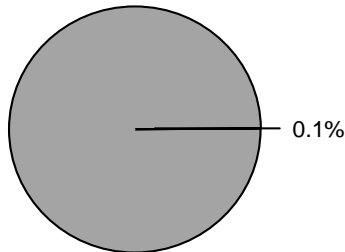


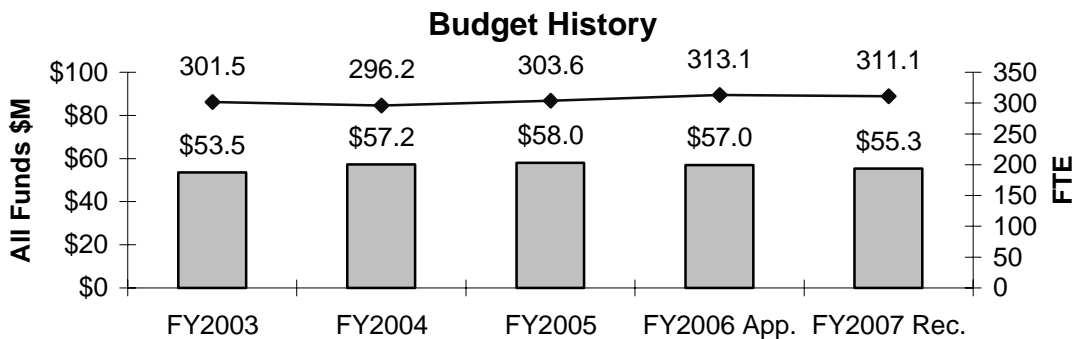
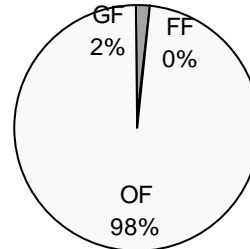
FY2007 Budget Briefing

Department of Revenue and Regulation

Agency's Share of Total Budgeted
State General Fund FY2007



Agency's Funding Source Split
Recommended FY2007 Budget



Key Responsibilities

- To provide the revenue necessary for the support of state and local government programs through the fair and consistent application of the tax laws and through a comprehensive program of education that explains the responsibilities and rights of taxpayers;
- To operate the state lottery established in SDCL 42-7A in a secure, efficient, and profitable manner;
- To provide for the safety and well-being of consumers and the general public by regulating the banking, securities, insurance, gaming, and racing industries;
- To protect the interest of the public when engaged in a real estate transaction; to promote ethical standards for abstractors; and
- To assist in cleanup of petroleum spills.

Key Personnel

- Gary Viken, Secretary
- Joan Serfling, Finance Officer

Department of Revenue and Regulation Total

The Governor recommends a total of \$55,270,598 and 311.1 FTEs for the Department of Revenue and Regulation for FY 2007. This dollar amount is comprised of \$1,021,480 from the State General Fund and \$54,249,118 from other sources. The Governor is recommending an increased general fund appropriation over FY 2006 of \$119,993, a \$1,803,935 reduction from other funds, and reduction of 2.0 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	13,528,801	14,660,514	14,560,833	15,182,395	521,881	3.6%
Travel	934,626	1,042,551	1,055,091	1,055,091	12,540	1.2%
Contractual Services	29,573,970	31,538,871	31,660,269	31,660,269	121,398	0.4%
Supplies and Materials	2,647,852	5,282,458	2,933,697	2,933,697	(2,348,761)	-44.5%
Grants and Subsidies	10,273,436	3,500,000	3,500,000	3,500,000	-	0.0%
Capital Outlay	807,010	724,144	721,146	721,146	(2,998)	-0.4%
Other	196,924	218,000	218,000	218,000	-	0.0%
TOTAL	57,962,619	56,966,538	54,649,036	55,270,598	(1,695,940)	-3.0%
Funding Sources:						
General Funds	834,075	901,487	989,769	1,021,480	119,993	13.3%
Federal Funds	1,317	11,998	-	-	(11,998)	-100.0%
Other Funds	57,127,227	56,053,053	53,659,267	54,249,118	(1,803,935)	-3.2%
TOTAL	57,962,619	56,966,538	54,649,036	55,270,598	(1,695,940)	-3.0%
FTE	303.6	313.1	311.1	311.1	(2.0)	-0.6%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	6,884		126,500	133,384
3% Across-the-Board	19,969		373,587	393,556
Health Insurance	4,858		89,764	94,622
Total	31,711	-	589,851	621,562

Major Expansions and Reductions

Program	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
A. Business Tax	-	75,000	0.0	-	75,000	0.0
B. Motor Vehicles	-	(2,350,000)	0.0	-	(2,350,000)	0.0
C. Property and Special Taxes--Personal Services and Operating Expenses	85,934	85,934	2.0	113,303	113,303	2.0
D. Banking	-	21,611	0.0	-	60,106	0.0
E. Petroleum Release Compensation	-	(122,694)	(2.0)	-	(110,109)	(2.0)
F. Lottery	-	(70,492)	(2.0)	-	(5,412)	(2.0)
G. Real Estate Commission	-	45,300	0.0	-	45,300	0.0
Total	85,934	(2,315,341)	(2.0)	113,303	(2,171,812)	(2.0)

- A. The Governor recommends an increased appropriation of \$75,000 from other funds for operating expenses in Business Tax for the costs of South Dakota's membership in the Streamlined Sales Tax organization of states.
- B. The Governor recommends an appropriation decrease of \$2,350,000 operating expenses from other funds for the Motor Vehicles program to remove funding added last year for supplies and materials.
- C. For FY 2007 the Governor's recommendation for the Property and Special Taxes program includes an increased appropriation of \$99,263 from the State General Fund for personal services and 2 additional FTEs for Tobacco Master Settlement Agreement due diligence. Of the dollar amount, \$71,894 is for the new FTEs, and the rest is FY 2007 salary policy. The Governor also recommends an increased appropriation of \$14,040 from the State General Fund for travel for these FTEs.
- D. The Department requested an increase of \$21,611 from other funds for personal services to provide funding for the bank examiner career enhancement program. The Governor recommends this item along with FY 2007 salary policy.
- E. For the Petroleum Release Compensation program, the Department requests reduction of 2.0 FTEs and \$122,694 personal services from other funds because of the program's decreased workload. The Governor concurs with the request. The Governor's recommendation includes \$12,585 for FY 2007 salary policy.
- F. The Department requests, and the Governor concurs, reductions totaling 2.0 FTEs and \$70,492 from other funds because of efficiencies found in the Instant and On-Line and Video Lottery programs. The requested reductions are offset by increases for FY 2007 salary policy.
- G. The Governor concurs in the Department's request for an increase of \$45,300 from other funds for the Real Estate Commission's contractual services.

Secretariat

For FY 2007 the Governor recommends total funding for the Secretariat program of \$159,983 from the State General Fund, \$3,393,972 from other funds, and 39.0 FTEs. The FY 2007 funding recommendation is 2.4% more than FY 2006, an increase of \$83,536 from all funds. FTEs are at the same level as FY 2006.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	1,639,480	1,966,833	1,966,833	2,050,369	83,536	4.2%
Travel	61,290	58,471	58,471	58,471	-	0.0%
Contractual Services	1,262,038	1,365,033	1,365,033	1,365,033	-	0.0%
Supplies and Materials	59,634	59,035	59,035	59,035	-	0.0%
Capital Outlay	58,409	21,047	21,047	21,047	-	0.0%
TOTAL	3,080,850	3,470,419	3,470,419	3,553,955	83,536	2.4%
Funding Sources:						
General Funds	156,858	155,641	155,641	159,983	4,342	2.8%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	2,923,992	3,314,778	3,314,778	3,393,972	79,194	2.4%
TOTAL	3,080,850	3,470,419	3,470,419	3,553,955	83,536	2.4%
FTE	34.7	39.0	39.0	39.0	-	0.0%

Revenues

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change</u> <u>Over</u> <u>FY2004</u>
Internet and Phone Filing Collections	\$295,934,844	\$361,663,546	\$415,000,000	\$460,000,000	55.4%
Remittance Center Collections:					
Department Collections	806,826,817	803,073,162	800,000,000	790,000,000	-2.1%
Other State Agency Collections	117,223,558	114,564,973	115,000,000	115,000,000	-1.9%
Appraiser Certification & Fees:	115,624	113,028	113,028	113,028	-2.2%
Totals	1,220,100,843	1,279,414,709	1,330,113,028	1,365,113,028	11.9%

Selected Performance Indicators

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>Estimated</u> <u>FY2006</u>	<u>Estimated</u> <u>FY2007</u>
Telephone collections	\$ 1,072,944	\$ 4,465,076	\$5,400,000	\$5,400,000
Legal Cases Opened	271	238	280	280
ISB Examinations/Investigations	75/36	81/56	80/55	80/55
Appraisers New/Renewed Licenses	33/331	30/360	30/360	30/360

- The Governor recommends an increased appropriation of \$83,536 for personal services for FY 2007 salary policy.

Business Tax

The Governor recommends an increased appropriation of \$167,661 from other funds for the Business Tax program, the entity which administers and collects sales, use, and contractors' excise taxes. This brings the total funding and staffing for the program to \$3,364,903 from other funds and 50.0 FTEs. FTEs are recommended at the same level as for FY 2006.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	2,296,274	2,171,572	2,171,572	2,264,233	92,661	4.3%
Travel	134,345	118,764	118,764	118,764	-	0.0%
Contractual Services	458,408	467,909	542,909	542,909	75,000	16.0%
Supplies and Materials	391,316	417,743	417,743	417,743	-	0.0%
Capital Outlay	17,430	21,254	21,254	21,254	-	0.0%
TOTAL	3,297,772	3,197,242	3,272,242	3,364,903	167,661	5.2%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	3,297,772	3,197,242	3,272,242	3,364,903	167,661	5.2%
TOTAL	3,297,772	3,197,242	3,272,242	3,364,903	167,661	5.2%
FTE	54.1	50.0	50.0	50.0	0.0	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Other Agency Collections	\$5,773,812	\$6,162,969	\$6,200,000	\$6,200,000	7.4%
State Sales Tax	515,301,325	542,031,635	565,000,000	582,000,000	12.9%
Excise Tax	59,378,041	65,404,711	65,500,000	65,500,000	10.3%
Telecom Excise Tax	5,935,673	8,211,917	8,200,000	8,200,000	100.0%
City/Reservation Taxes	204,652,430	224,396,362	227,500,000	230,000,000	12.4%
Totals	\$791,041,281	\$846,207,594	\$872,400,000	\$891,900,000	12.8%

Selected Performance Indicators

	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Estimated FY 2006</u>	<u>Estimated FY 2007</u>
Cities/Tribes with Sales & Use Tax	210	214	220	220
Total Active Licenses	67,219	68,691	71,000	71,000
Delinquent/Out-of-Balance Notices	112,311	124,388	125,000	125,000
Licensee Reviews	747	603	600	600
Compliance Reviews	239	307	300	300
Balance of A/R as of July 1	\$2,407,098	\$2,546,034	\$2,400,000	\$2,400,000
Total Returns Processed	432,885	431,145	430,000	428,000
Internet and Phone Returns	39,242	48,283	56,500	62,000
Returns Out of Balance	109,156	108,199	105,000	102,000
800 Phone Bank Calls	43,990	40,519	40,000	40,000

- The Governor recommends an increased appropriation from other funds of \$92,661 from other funds for personal services for FY 2007 salary policy.
- The Governor also recommends an increased appropriation of \$75,000 from other funds for contractual services. This funding is to provide for costs allocated to South Dakota as one of the member states in the Streamlined Sales Tax Program.
- All of the other funds that support this program are from the Sales and Use Tax Collection Fund, created in SDCL 10-1-44:

10-1-44. Establishment of sales and use tax collection fund. There shall be established within the state treasury the sales and use tax collection fund for the purpose of administering the sales, use, municipal non-ad valorem, and contractors' excise taxes. Charges for the administration and collection of taxes collected pursuant to chapter 10-52 shall be deposited into the sales and use tax collection fund. In addition, the secretary of the Department of Revenue and Regulation shall, on a monthly basis, deposit revenue collected as a result of taxes imposed in chapters 10-45, 10-46, and 10-58 in the sales and use tax collection fund. The total amount deposited in the sales and use tax collection fund may not exceed the amount budgeted for such purposes. All money in the fund created by this section shall be budgeted and expended in accordance with the provisions of Title 4 on warrants drawn by the state auditor on vouchers approved by the secretary of the Department of Revenue and Regulation.

At the end of each fiscal year any cash balance left in the sales and use tax collection fund shall be transferred to the general fund.

Source: SL 1994, ch 95, § 1; SL 2003, ch 272, § 82.

Motor Vehicles

The Governor recommends total appropriations of \$6,457,042 and 47.1 FTEs for the Division of Motor Vehicles for FY 2007. The Division administers all fuel taxes pursuant to SDCL 10-47B as well as licensing, titling, and registration of boats, trailers, and motorized vehicles pursuant to SDCL Title 32.

Item	Actual FY2006	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	1,571,046	1,669,737	1,669,737	1,742,354	72,617	4.3%
Travel	63,272	59,462	57,962	57,962	(1,500)	-2.5%
Contractual Services	1,758,019	3,178,679	3,171,179	3,171,179	(7,500)	-0.2%
Supplies and Materials	1,113,621	3,488,528	1,138,528	1,138,528	(2,350,000)	-67.4%
Capital Outlay	342,164	350,017	347,019	347,019	(2,998)	-0.9%
TOTAL	4,848,122	8,746,423	6,384,425	6,457,042	(2,289,381)	-26.2%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	1,317	11,998	-	-	(11,998)	-100.0%
Other Funds	4,846,805	8,734,425	6,384,425	6,457,042	(2,277,383)	-26.1%
TOTAL	4,848,122	8,746,423	6,384,425	6,457,042	(2,289,381)	-26.2%
FTE	45.5	47.1	47.1	47.1	-	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Motor Vehicle Fees	\$86,806,888	\$88,742,149	\$89,000,000	\$89,000,000	2.5%
Motor Vehicle Commercial Fees	12,167,603	12,845,748	12,850,000	12,850,000	5.6%
Motor Fuel Taxes	140,317,611	140,648,574	142,000,000	142,000,000	1.2%
Totals	\$239,292,102	\$242,236,471	\$243,850,000	\$243,850,000	1.9%

Selected Performance Indicators

	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Estimated FY 2006</u>	<u>Estimated FY 2007</u>
Certs of Title Issued/Processing Days	373,699/10	388,238/10	389,000/10	389,000/10
Personal/Dealer Plates Renewed	12,547/3,053	12,571/3,123	13,000/3,500	15,000/4,000
Vehicles Registered	1,081,123	1,102,710	1,125,000	1,150,000
Licensed Vehicle Dealers	1,281	1,299	1,300	1,300
IFTA Licences	2,755	2,776	2,780	2,800
Importer/Exporter/Blender	369	366	366	366
Highway Contractors/Marketers	509/1,201	521/1,210	525/1,220	525/1,200
Gas Tax Refunds Processed	6,291	5,940	5,900	5,800
Power Units Prorated Under IRP	9,392	8,895	9,000	9,000
Prorate Trailer ID Plates Issued	1,530	1,791	1,800	1,800
Commercial Tonnage Stickers Sold	37,296	38,067	38,000	38,000
30-Day Commercial Permits Sold	4,384	3,736	3,750	3,800
Harvest Permits Sold	1,283	1,141	1,200	1,200

- The Governor's recommended increase of \$72,617 from other funds for personal services is for FY 2007 salary policy.
- The recommendation includes a reduction of \$2,350,000 from other funds operating expenses (supplies and materials) for the cost of license plate stock necessary for the new license plates to be issued in calendar year 2006 and funded in FY 2006.
- Other funds here are from motor vehicle titling and licensing fees and a percentage of the motor fuel tax revenue (SDCL 10-47B-149).

Property and Special Taxes

The Governor recommends funding of \$861,497 from the State General Fund and 13.0 FTEs for this program for FY 2007. These amounts reflect increases of \$115,651 and 2.0 FTEs, respectively, over FY 2006 for the program charged with administering and collecting taxes on alcohol and tobacco, and maintaining a uniform system among counties of assessing real property.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	525,433	568,742	640,636	668,005	99,263	17.5%
Travel	19,337	23,058	37,098	37,098	14,040	60.9%
Contractual Services	98,520	99,159	101,507	101,507	2,348	2.4%
Supplies and Materials	30,996	46,187	46,187	46,187	-	0.0%
Capital Outlay	2,932	8,700	8,700	8,700	-	0.0%
TOTAL	677,217	745,846	834,128	861,497	115,651	15.5%
Funding Sources:						
General Funds	677,217	745,846	834,128	861,497	115,651	15.5%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	-	-	-	-	-	0.0%
TOTAL	677,217	745,846	834,128	861,497	115,651	15.5%
FTE	11.0	11.0	13.0	13.0	2.0	18.2%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Special Taxes--State Funds	\$82,610,731	\$79,769,314	\$79,000,000	\$79,000,000	-4.4%
Special Taxes--Local Governments	17,200,387	18,089,150	17,500,000	17,500,000	1.7%
Totals	\$99,811,118	\$97,858,464	\$96,500,000	\$96,500,000	-3.3%

Selected Performance Indicators

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Estimated FY2006</u>	<u>Estimated FY2007</u>
Tax Refund Applications Received	3,740	3,699	3,500	3,300
Applications Refunded/Denied	3,556/184	3,503/196	3,300/200	3,000/300
Receiving Property Tax	172	181	180	180
Sales and Property Tax Refunded	\$802,674	\$639,909	\$650,000	\$600,000
Liquor and Beer Licenses	5,155	5,683	5,400	5,550
Cigarette Licenses/Stamps	64/52,945,528	67/48,919,199	65/49,000,000	65/49,100,000
Cigarette Meter Impressions	450,000	400,000	400,000	400,000

- The Department requests and the Governor recommends an increase of 2.0 FTEs for Property and Special Taxes. The Governor's recommendation includes an increased appropriation from the State General Fund of \$71,894 for the 2 FTEs. The new FTEs are to provide the support for Master Settlement Agreement due diligence. Both FTEs would be assistant attorneys general.
- The Governor also recommends an increased appropriation of \$14,040 from the State General Fund for the operating expenses associated with the 2.0 new FTEs.

Audits

For FY 2007 the Governor is recommending total funding and staffing of \$3,168,730 from other funds and 52.0 FTEs for the Audits program. This division's funding is \$108,298 more than the FY 2006 amount. The division audits but also provides taxpayer education for all taxpayer licensees.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	2,386,916	2,531,205	2,531,205	2,639,503	108,298	4.3%
Travel	248,174	288,721	288,721	288,721	-	0.0%
Contractual Services	167,360	156,790	156,790	156,790	-	0.0%
Supplies and Materials	29,570	32,086	32,086	32,086	-	0.0%
Capital Outlay	40,152	51,630	51,630	51,630	-	0.0%
TOTAL	2,872,172	3,060,432	3,060,432	3,168,730	108,298	3.5%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	2,872,172	3,060,432	3,060,432	3,168,730	108,298	3.5%
TOTAL	2,872,172	3,060,432	3,060,432	3,168,730	108,298	3.5%
FTE	50.9	52.0	52.0	52.0	-	0.0%

Revenues

None.

Selected Performance Indicators

	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007
Assessments/Audits:				
Sales & Use/Excise	\$13,905,892/1,198	\$11,657,912/1,200	\$13,200,000/1,250	\$14,100,000/1,225
IFTA, Motor Fuel, Prorate	\$374,765/312	\$649,043/320	\$550,000/350	\$550,000/350
Combined Sales Tax/Fuel Tax	\$14,280,657/1,510	\$12,306,955/1,520	\$13,750,000/1,550	\$14,700,000/1,575
Bank Franchise/Severance Tax	\$34,044/135	\$28,083/270	\$100,000/150	\$100,000/150
Inheritance Tax	\$257,956/236	\$130,035/201	\$0/0	\$0/0
Limited Compliance	\$56,858/3	\$5,780/8	\$50,000/7	\$75,000/15
Tobacco Compliance	\$21,594/7	\$72,463/3	\$75,000/25	\$100,000/25
Total Assessments	\$14,651,109	\$12,543,316	\$13,900,000	\$14,675,000
Total Audits Performed	1,891	2,002	1,735	1,765

- The Governor recommends an increased appropriation of \$108,298 from other funds for personal services for FY 2007 salary policy.

Banking

The Governor is recommending an increase of \$67,595 from other funds and no change in FTEs for the Banking program. This brings the total funding and staffing for the program to \$1,260,608 from other funds and 15.5 FTEs. This program regulates state chartered and licensed banks and institutions.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	824,634	891,175	912,786	951,281	60,106	6.7%
Travel	99,020	120,933	120,933	120,933	-	0.0%
Contractual Services	98,544	157,087	163,337	163,337	6,250	4.0%
Supplies and Materials	10,245	13,818	15,057	15,057	1,239	9.0%
Capital Outlay	8,820	10,000	10,000	10,000	-	0.0%
TOTAL	1,041,263	1,193,013	1,222,113	1,260,608	67,595	5.7%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	1,041,263	1,193,013	1,222,113	1,260,608	67,595	5.7%
TOTAL	1,041,263	1,193,013	1,222,113	1,260,608	67,595	5.7%
FTE	15.1	15.5	15.5	15.5	-	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Banking Revolving Fund:					
Bank Examination Fee	\$556,441	\$728,275	\$969,589	\$998,895	79.5%
Trust Company Examination Fee	0	19,016	30,000	30,000	n/a
Money Lenders Renewal and Applications	165,000	137,007	175,500	175,500	6.4%
Other License Fees	174,580	270,925	223,750	223,750	28.2%
Investment Council Interest	18,401	13,542	15,000	20,000	8.7%
Miscellaneous	7,548	25,648	20,000	20,000	165.0%
Trust Company Charter Fees (General Fund)	5,000	5,000	20,000	20,000	300.0%
Trust Company Supervision Fee	0	79,584	58,000	70,000	0.0%
Totals	\$926,970	\$1,278,997	\$1,511,839	\$1,558,145	68.1%

Selected Performance Indicators

	Actual	Actual	Estimated	Estimated
	FY2004	FY2005	FY2006	FY2007
Institutions Examined:				
Money Lenders (Self Examination)	257	235	240	240
Banks	38	26	25	30
Trust Companies	5	9	12	12
Mortgage Lenders/Brokers	218/100	221/112	225/0	225/0
Licenses Issued or Renewed:				
Money Lenders	266	266	270	270
Money Orders	8	25	25	25
Mortgage Lenders/Brokers	216/162	258/153	260/150	260/150
Charters Cancelled	10	6	2	2
Assets of Banks Supervised	\$ 10,130,289,000	\$ 11,248,156,000	\$ 11,817,594,000	\$ 12,415,860,000
Managed Assets - Trust Cos. & Depts.	\$ 15,367,625,000	\$ 24,810,448,000	\$ 40,000,000,000	\$ 75,000,000,000

- The Governor recommends an increased appropriation of \$60,106 from other funds for personal services, \$21,611 of which is for the bank examiner career enhancement program and the rest is for FY 2007 salary policy.

Securities

The Governor is recommending an increase of \$12,192 from other funds for the Securities program but that FTEs remain at 5.0. The Governor's total recommendation for this program for FY 2007 is \$368,000 from other funds and 5.0 FTEs. This program regulates and inspects financial and securities products, franchise offerings, etc.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	268,314	286,205	286,205	298,397	12,192	4.3%
Travel	10,632	16,885	16,885	16,885	-	0.0%
Contractual Services	21,611	39,810	39,810	39,810	-	0.0%
Supplies and Materials	13,612	8,908	8,908	8,908	-	0.0%
Capital Outlay	475	4,000	4,000	4,000	-	0.0%
Other	-	-	-	-	-	0.0%
TOTAL	314,644	355,808	355,808	368,000	12,192	3.4%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	314,644	355,808	355,808	368,000	12,192	3.4%
TOTAL	314,644	355,808	355,808	368,000	12,192	3.4%
FTE	4.9	5.0	5.0	5.0	-	0.0%

Revenues

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change</u> <u>Over</u> <u>FY2004</u>
Deposited to Securities Operating Fund:					
Securities Registration Fees	\$106,821	\$69,734	\$88,000	\$70,000	-34.5%
Franchise Registration Fees	116,550	136,350	116,000	130,000	11.5%
Franchise Exemption Fees	13,200	13,000	10,000	13,000	-1.5%
Business Opportunities Reg. Fees	800	700	800	300	-62.5%
Securities Opinion Fees	1,250	100	750	200	-84.0%
Investment Company Notification Fees	14,130,600	15,142,300	13,600,000	15,000,000	6.2%
Agent Licensing Fees	7,293,800	7,962,550	6,900,000	7,800,000	6.9%
Broker-Dealer Licensing Fees	203,850	205,050	205,000	205,000	0.6%
Investment Advisor Fees	4,150	4,800	2,500	4,500	8.4%
Investment Adviser Agent Fees	42,100	47,600	35,000	47,000	11.6%
I/A Notice Filings	106,600	117,400	104,000	113,000	6.0%
Miscellaneous	2,825	7,240	0	7,000	147.8%
Investment Council Interest	137,008	184,252	135,000	150,000	9.5%
Private Placement/Reg. D506/Other	47,350	67,675	40,800	67,000	41.5%
Fines	0	60,900	60,000	60,000	n/a
Totals	\$22,206,904	\$24,019,651	\$21,297,850	\$23,667,000	6.6%

Selected Performance Indicators

	Actual	Actual	Estimated	Estimated
	FY2004	FY2005	FY2006	FY2007
Investment Company Notice Filings--				
New/Total	2,301/15,855	2,310/16,433	2,100/15,200	2,300/16,000
Brokers-Dealers/B-D Agents Licensed	1,293/47,229	1,306/50,671	1,250/45,000	1,300/48,000
Investment Advisers/IA Agents Licensed	34/364	41/475	30/375	40/470
Investigations	163	135	145	150
Administrative Orders Issued	88	63	70	80
Opinions Requested	25	2	15	10
Transfers to General Fund (SDCL 4-4-4.4)	\$ 21,861,680	\$ 23,672,322	\$ 23,500,000	\$ 23,667,000

Insurance

Funding and staffing levels for the Insurance program, as recommended by the Governor for FY 2007, are \$1,770,124 from other funds and 28.5 FTEs. This is an increase in dollar funding from FY 2006 of \$56,098 from other funds. The Insurance program reviews insurance companies' products, forms, rates, and business practices and administers the state's insurance company tax.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	1,240,819	1,313,861	1,313,861	1,369,959	56,098	4.3%
Travel	31,081	26,231	26,231	26,231	-	0.0%
Contractual Services	180,224	217,928	217,928	217,928	-	0.0%
Supplies and Materials	106,311	137,467	137,467	137,467	-	0.0%
Capital Outlay	13,276	18,539	18,539	18,539	-	0.0%
TOTAL	1,571,710	1,714,026	1,714,026	1,770,124	56,098	3.3%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	1,571,710	1,714,026	1,714,026	1,770,124	56,098	3.3%
TOTAL	1,571,710	1,714,026	1,714,026	1,770,124	56,098	3.3%
FTE	27.9	28.5	28.5	28.5	-	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Taxes Collected (Deposited to General Fund)	\$51,105,292	\$55,166,528	\$55,000,000	\$55,000,000	7.6%
Fees (Insurance Operating Fund)	4,993,608	5,250,576	5,084,500	5,144,500	3.0%
Subsequent Injury Fund:					
Sub-Injury Fund Assessment	5,124,227	7,555,804	5,000,000	5,000,000	-2.4%
Investment Council Interest	39,661	33,150	33,000	33,000	-16.8%
Continuing Education Fund:					
Agent Renewal Fees	43,565	570	44,000	0	-100.0%
Investment Council Interest	2,499	1,341	1,300	1,300	-48.0%
Special Collections for Workers' Compensation:					
Policy Fee	178,026	253,463	220,000	220,000	23.6%
Examination Fund	420,300	418,800	420,000	420,000	-0.1%
Investment Council Interest	42,773	19,567	20,000	20,000	-53.2%
Totals	\$61,949,951	\$68,699,799	\$65,822,800	\$65,838,800	6.3%

Selected Performance Indicators

	Actual		Estimated	
	FY2004	FY2005	FY2006	FY2007
Total Licensed/Domestic Companies	1,412/48	1,373/47	1,400/45	1,420/45
Agent Licenses Issued	9,863	9,461	9,500	9,500
Property/Casualty Filings Reviewed	6,348	6,830	6,800	6,800
Life/Health Filings Reviewed	4,222	4,081	4,200	4,200
Consumer Complaints Closed	1,596	1,127	1,400	1,400
Enforcement: New Open Files	411	593	600	625
Enforcement: Closed Files	327	692	600	590
Transfer to General Fund	\$ 2,879,940	\$ 3,323,695	\$ 3,000,000	\$ 3,000,000
Subsequent Injury Fund New Claims	60	51	50	45
Subsequent Injury Fund Claims Paid	133	133	120	100
Subsequent Injury Fund Dollars Paid	\$ 5,253,235	\$ 7,735,667	\$ 6,000,000	\$ 5,500,000

- The Governor's recommended appropriation for the Insurance program includes an increase of \$56,098 from other funds for personal services for the FY 2007 salary policy.

Insurance Fraud Unit—Informational

The Governor's recommended funding for the informational item Insurance Fraud Unit is \$305,193 from other funds and 4.0 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	187,385	209,494	209,494	218,421	8,927	4.3%
Travel	12,184	34,130	34,130	34,130	-	0.0%
Contractual Services	32,159	36,342	36,342	36,342	-	0.0%
Supplies and Materials	7,665	10,300	10,300	10,300	-	0.0%
Capital Outlay	87	6,000	6,000	6,000	-	0.0%
TOTAL	239,480	296,266	296,266	305,193	8,927	3.0%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	239,480	296,266	296,266	305,193	8,927	3.0%
TOTAL	239,480	296,266	296,266	305,193	8,927	3.0%
FTE	3.7	4.0	4.0	4.0	0.0	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Company Assessments	\$330,750	\$27,250	\$345,000	\$345,000	4.3%
Civil Penalties	2,000	0	3,000	0	-100.0%
Investment Council Interest	11,258	3,906	1,200	12,000	6.6%
Totals	\$344,008	\$31,156	\$349,200	\$357,000	3.8%

Selected Performance Indicators

	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007
Educational Programs	4	13	18	18
New Fraud Cases	105	104	135	135
Cases Closed--Unfounded	105	90	80	80
Criminal Convictions	3	5	12	12
Civil Convictions	1	0	10	0

Petroleum Release Compensation

For the Petroleum Release Compensation program, which investigates and assists in the clean-up of petroleum spills, the Governor is recommending a decrease of \$110,109 from other funds and 2.0 FTEs. The total funding for FY 2007 is recommended at \$427,682 from other funds and 5.0 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	372,057	414,738	292,044	304,629	(110,109)	-26.5%
Travel	21,580	27,624	27,624	27,624	-	0.0%
Contractual Services	29,287	71,057	71,057	71,057	-	0.0%
Supplies and Materials	7,212	20,670	20,670	20,670	-	0.0%
Capital Outlay	2,115	3,702	3,702	3,702	-	0.0%
TOTAL	432,253	537,791	415,097	427,682	(110,109)	-20.5%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	432,253	537,791	415,097	427,682	(110,109)	-20.5%
TOTAL	432,253	537,791	415,097	427,682	(110,109)	-20.5%
FTE	6.8	7.0	5.0	5.0	-2.0	-28.6%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Refund Prior Year's Expenditure	\$25,560	\$445,000	\$0	\$0	-100.0%
Petroleum Tank Inspection Fee	1,494,758	1,715,094	1,600,000	1,600,000	7.0%
Interest	367,232	192,282	200,000	200,000	-45.5%
Totals	\$1,887,550	\$2,352,376	\$1,800,000	\$1,800,000	-4.6%

Selected Performance Indicators

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Estimated FY2006</u>	<u>Estimated FY2007</u>
Petroleum Release Cases Initiated	21	27	25	25
Responsible Parties Reimbursed	189	265	200	200
Abandoned Tank Site Initiated	69	53	50	50
Claims Processed and Paid:				
Abandoned Tank Program	17	253	100	100
Regular Program	250	145	250	250
Review Contracts and Corrective Action Plan	337	273	300	300

- The Governor recommends a reduction of \$122,694 from other funds and 2.0 FTEs because of the program's decreased workload, offset by the increased funding for FY 2007 salary policy resulting in the net reduction shown above of \$110,109.

Petroleum Release Compensation Fund--Informational

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	-	-	-	-	-	0.0%
Contractual Services	134,761	100,000	100,000	100,000	-	0.0%
Grants and Subsidies	1,666,559	3,500,000	3,500,000	3,500,000	-	0.0%
TOTAL	1,801,320	3,600,000	3,600,000	3,600,000	-	0.0%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	1,801,320	3,600,000	3,600,000	3,600,000	-	0.0%
TOTAL	1,801,320	3,600,000	3,600,000	3,600,000	-	0.0%
FTE	0.0	0.0	0.0	0.0	-	0.0%

Revenues

<u>Actual</u> <u>FY2003</u>	<u>Actual</u> <u>FY2004</u>	<u>FY2005</u> <u>Estm.</u>	<u>FY2006</u> <u>Estm.</u>	<u>% Change</u> <u>Over</u> <u>FY2003</u>
--------------------------------	--------------------------------	-------------------------------	-------------------------------	---

See Petroleum Release Compensation Program

Instant and On-Line Operations—Informational

For FY 2007, the Governor is recommending an increase for the informational program Instant and On-Line Operations of \$26,907 from other funds and a reduction of 0.5 FTEs. The Governor's total recommendation for this program is \$26,325,809 from other funds and 21.0 FTEs. This is the non-video portion of the state's assorted lottery games.

Item	Actual FY2005	Approved FY20056	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	905,379	1,093,750	1,075,228	1,120,657	26,907	2.5%
Travel	118,701	135,684	135,684	135,684	-	0.0%
Contractual Services	23,749,815	24,097,468	24,097,468	24,097,468	-	0.0%
Supplies and Materials	805,665	928,000	928,000	928,000	-	0.0%
Capital Outlay	281,284	40,000	40,000	40,000	-	0.0%
Other	362	4,000	4,000	4,000	-	0.0%
TOTAL	25,861,207	26,298,902	26,280,380	26,325,809	26,907	0.1%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	25,861,207	26,298,902	26,280,380	26,325,809	26,907	0.1%
TOTAL	25,861,207	26,298,902	26,280,380	26,325,809	26,907	0.1%
FTE	20.0	21.5	21.5	21.0	(0.5)	-2.3%

Revenues

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change</u> <u>Over</u> <u>FY2004</u>
Instant Proceeds--General Fund	\$3,326,834	\$3,418,115	\$3,500,000	\$3,600,000	8.2%
On-Line Proceeds--General Fund	1,400,000	1,400,000	1,400,000	1,400,000	0.0%
On-Line Proceeds--Capital Construction Fund	2,766,489	2,723,094	2,750,000	2,800,000	1.2%
Totals	\$7,493,323	\$7,541,209	\$7,650,000	\$7,800,000	4.1%

Selected Performance Indicators

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>Estimated</u> <u>FY2006</u>	<u>Estimated</u> <u>FY2007</u>
Instant Games Introduced	18	24	24	24
On-Line Games Offered	4	4	4	4
Licensed Lottery Retailers--Instant	589	597	605	605
Licensed Lottery Retailers--On-Line	353	365	380	380
Prizes Paid to Players	\$18,780,174	\$18,539,142	\$18,248,000	\$19,400,000
Retailer Commissions Paid	\$1,860,911	\$1,756,483	\$2,061,300	\$2,281,300
Instant Games Total Sales	\$15,262,714	\$16,034,998	\$16,750,000	\$17,300,000
On-Line Games Total Sales	\$18,877,696	\$16,353,012	\$17,100,000	\$17,900,000

- The Governor's recommended increase for this informational program reflects the reduction of 0.5 FTE and \$18,522 from other funds offset by the increased funding for FY 2007 salary policy resulting in the increase shown above of \$26,907. The FTE is a shared 50/50

secretary/receptionist position with Video Lottery but through efficiencies is able to be eliminated.

Video Lottery

The Governor recommends an appropriation of \$2,059,502 from other funds and 10.0 FTEs for Video Lottery for FY 2007, a \$32,319 and 1.5 FTEs reduction from FY 2006's budgeted.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	454,616	517,518	465,548	485,199	(32,319)	-6.2%
Travel	11,814	20,118	20,118	20,118	-	0.0%
Contractual Services	1,108,376	1,123,069	1,123,069	1,123,069	-	0.0%
Supplies and Materials	13,357	37,116	37,116	37,116	-	0.0%
Capital Outlay	2,347	180,000	180,000	180,000	-	0.0%
Other	195,466	214,000	214,000	214,000	-	0.0%
TOTAL	1,785,977	2,091,821	2,039,851	2,059,502	(32,319)	-1.5%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	1,785,977	2,091,821	2,039,851	2,059,502	(32,319)	-1.5%
TOTAL	1,785,977	2,091,821	2,039,851	2,059,502	(32,319)	-1.5%
FTE	10.4	11.5	10.0	10.0	(1.5)	-13.0%

Revenues

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change</u> <u>Over</u> <u>FY2004</u>
License Fees to V.L. Operating Fund	\$1,098,425	\$1,124,800	\$1,125,000	\$1,125,000	2.4%
Additional Mfg. License Fee--General Fund	30,000	45,000	45,000	45,000	50.0%
Video Lottery Proceeds--State General Fund	0	3,000,000	0	0	n/a
Video Lottery Proceeds--Property Tax Reduction Fund	107,068,905	109,279,140	111,400,000	113,600,000	6.1%
Video Lotter Proceeds--V.L. Operating Fund	1,081,504	1,103,930	1,125,253	1,147,475	6.1%
Miscellaneous Revenue	258,925	147,423	200,000	200,000	-22.8%
Totals	\$109,537,759	\$114,700,293	\$113,895,253	\$116,117,475	6.0%

Selected Performance Indicators

	Actual	Actual	Estimated	Estimated
	FY 2004	FY 2005	FY 2006	FY 2007
Machines Placed (12-Month Average)	8,325	8,564	8,600	8,600
Licensed Establishments (12-Month Average)	1,419	1,433	1,440	1,440
Licensed Operators	168	162	165	165
Licensed Dealers	3	3	3	3
Licensed Manufacturers	3	3	3	3

- For Video Lottery the Governor recommends a decrease of \$51,970 from other funds for personal services for reduction of 1.5 FTEs. The positions being eliminated are the other half of the secretary/receptionist shared with Instant and On-Line Operations and a compliance manager. These FTEs are being eliminated through efficiencies.
- The Governor recommends an increase of \$19,551 from other funds for FY 2007 salary policy.

Real Estate Commission--Informational

The Governor recommends an increase of \$55,616 from other funds bringing the total funding and staffing for the Real Estate Commission (an informational budget) to \$447,094 from other funds and 5.0 FTEs. This program regulates and audits the real estate industry.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	201,119	237,113	237,113	247,429	10,316	4.4%
Travel	39,583	23,050	23,050	23,050	-	0.0%
Contractual Services	156,879	107,115	152,415	152,415	45,300	42.3%
Supplies and Materials	21,978	24,200	24,200	24,200	-	0.0%
Capital Outlay	14,356	-	-	-	-	0.0%
TOTAL	433,916	391,478	436,778	447,094	55,616	14.2%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	433,916	391,478	436,778	447,094	55,616	0.0%
TOTAL	433,916	391,478	436,778	447,094	55,616	14.2%
FTE	4.8	5.0	5.0	5.0	0.0	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Application Fees	\$152,780	\$158,805	\$73,125	\$76,475	-49.9%
New License Fees	30,116	38,331	8,750	11,800	-60.8%
Renewal Fees	245,065	124,780	256,075	191,525	-21.8%
Materials Sold	6,120	6,911	3,200	5,200	-15.0%
Interest Income	22,218	17,797	15,000	15,000	-32.5%
Changes of Address	5,565	6,570	5,000	5,500	-1.2%
Certificates of Licensure	1,665	2,160	1,100	1,200	-27.9%
Late Renewal Fees	8,640	6,020	6,000	5,000	-42.1%
Intrastate Sales and Services	720	720	720	720	0.0%
Penalties Reimbursement of Investigations	20,482	7,433	10,000	10,000	-51.2%
Seminar Income	56,950	80,450	45,000	55,000	-3.4%
Miscellaneous	25	23,537	100	100	300.0%
Totals	\$550,346	\$473,514	\$424,070	\$377,520	-31.4%

Selected Performance Indicators

	Actual FY 2004	Actual FY 2005	Estimated FY 2006	Estimated FY 2007
Licenses Renewed/New	2,039/717	1,035/774	2,060/500	1,560/350
Practitioners	4,301	4,684	4,000	3,800
Examinations:				
Nationally Prepared (Times Given)	431	575	350	350
Applicants Examined/Passed	258/204	361/294	250/200	250/200
State Prepared (Times Given)	49	60	80	80
Applicants Examined/Passed	41/41	51/48	40/65	70/65
Applicants Reexamined/Passed	85/47	126/88	50/40	50/40
Complaints:				
Received/Investigated/Resolved	28/30/34	32/29/29	40/34/31	40/34/31
Hearings Held/Pending	14/11	10/16	17/16	17/16
Licenses Reprimanded/Probationed	18	11	10	10
Licenses Suspended/Revoked	2	2	3	3
No Action Taken Against Licensee	18	23	20	20
Inspections	7	15	3	3
Audits	420	586	375	375
Inquiries Received and Answered	22,747	28,538	25,000	25,000
Applicants Denied SD Licensure	1	1	1	1

- The Governor recommends an increase of \$10,316 from other funds for personal services for FY 2007 salary policy.
- For FY 2007 the Commission requests, and the Governor recommends, an increase of \$45,300 from other funds for contractual services. Of this amount, \$20,000 is for departmental central services costs, \$14,000 is for rent in leased space, and \$8,000 is for a legal consultant.

Abstracters Board of Examiners--Informational

The Governor recommends an appropriation of \$17,895 from other funds for this informational program for FY 2007. This board promotes the ethical standards of abstracters, and assures quality of land title evidencing through licensing of professionals and inspection of land title plants.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	13,370	12,695	12,695	13,112	417	3.3%
Travel	3,223	3,000	3,000	3,000	-	0.0%
Contractual Services	1,279	1,800	1,800	1,800	-	0.0%
Supplies and Materials	601	400	400	400	-	0.0%
Other	940	-	-	-	-	N/A
TOTAL	19,413	17,895	17,895	18,312	417	2.3%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	19,413	17,895	17,895	18,312	417	2.3%
TOTAL	19,413	17,895	17,895	18,312	417	2.3%
FTE	0.0	0.0	0.0	0.0	0.0	0.0%

NOTE: The personal services line item in this program is for board members' per diem.

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>FY2006 Estm.</u>	<u>FY2007 Estm.</u>	<u>% Change Over FY2004</u>
Examination Fees	\$600	\$250	\$300	\$300	-50.0%
Reexamination Fees	100	40	100	100	0.0%
New License Fees	1,000	1,050	900	900	0.0%
Renewal Fees	600	20,700	600	18,000	2900.0%
Materials Sold	0	0	0	0	n/a
Interest Income	1,316	337	450	450	-65.8%
Plant Inspections	1,922	2,239	1,900	1,900	-1.1%
Totals	\$5,538	\$24,616	\$4,250	\$21,650	2783.0%

Selected Performance Indicators

	Actual FY 2004	Actual FY 2005	Estimated FY 2006	Estimated FY 2007
Licenses Renewed	2	76	4	75
New Licenses	0	3	0	0
Practitioners	4	0	0	0
Examinations:				
State Prepared (Times Given)	3	3	3	0
Applicants Examined/Passed	12/7	5/2	5/3	5/3
Applicants Reexamined/Passed	5/0	3/0	2/0	2/0
Complaints:				
Received/Investigated/Resolved	3/3/3	1/1/1	1/1/1	1/1/1
Hearings Held	0	0	0	0
Miscellaneous:				
Inspections	4	3	3	3
Inquiries Received and Answered	12	9	9	9

Commission on Gaming--Informational

The Governor recommends an increased appropriation of \$32,971 from other funds for the Commission on Gaming for FY 2007. This brings the total of funding and staffing to \$1,282,147 from other funds and 16.0 FTEs. The Commission regulates the gaming, horse, and dog racing industries in South Dakota.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	641,959	775,876	775,876	808,847	32,971	4.2%
Travel	60,391	86,420	86,420	86,420	-	0.0%
Contractual Services	316,689	319,625	319,625	319,625	-	0.0%
Supplies and Materials	36,070	58,000	58,000	58,000	-	0.0%
Grants and Subsidies	8,606,877	-	-	-	-	N/A
Capital Outlay	23,163	9,255	9,255	9,255	-	0.0%
Other	156	-	-	-	-	N/A
TOTAL	9,685,305	1,249,176	1,249,176	1,282,147	32,971	2.6%
Funding Sources:						
General Funds	-	-	-	-	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	9,685,305	1,249,176	1,249,176	1,282,147	32,971	2.6%
TOTAL	9,685,305	1,249,176	1,249,176	1,282,147	32,971	2.6%
FTE	13.7	16.0	16.0	16.0	0.0	0.0%

Revenues

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>% Change</u> <u>Over</u> <u>FY2004</u>
Gaming Fund:					
Device Fee	\$5,868,000	\$5,992,000	\$6,178,000	\$6,178,000	5.3%
Gross Revenue Tax	5,667,623	6,311,658	6,300,000	6,300,000	11.2%
City Slot Tax	533,645	461,079	540,000	540,000	1.2%
Application Fee	134,504	109,860	110,000	110,000	-18.2%
License Fee	104,125	93,565	95,000	95,000	-8.8%
Device Testing Fee	6,672	12,620	5,000	5,000	-25.1%
Penalties	2,745	9,000	5,000	5,000	82.1%
Interest	61,187	50,338	50,000	50,000	-18.3%
Racing:					
Dogs:					
Commission	141,740	57,206	57,000	57,000	-59.8%
Licenses and Fines	7,060	7,980	7,500	7,500	6.2%
Revolving Fund	141,740	57,206	57,000	57,000	-59.8%
Bred Fund	141,740	57,206	57,000	57,000	-59.8%
Horses:					
Commission	161,310	91,923	90,000	90,000	-44.2%
Licenses and Fines	15,720	15,945	15,000	15,000	-4.6%
Revolving Fund	151,049	131,364	90,000	90,000	-40.4%
Bred Fund	154,037	99,492	90,000	90,000	-41.6%
Interest	53,035	32,191	32,000	32,000	-39.7%
Totals	\$13,345,932	\$13,590,633	\$13,778,500	\$13,778,500	3.2%

Selected Performance Indicators

	Actual	Actual	Estimated	Estimate
	FY 2004	FY 2005	FY 2006	FY 2007
Licenses Issued:				
Manufacturers/Distributors	17	12	13	13
Operators/Retailers	47/165	33/142	33/142	33/142
Support/Key Employees	1,886	1,503	1,500	1,500
Device Licenses	2,988	2,996	3,089	3,089
Gaming Distributions	\$11,152,088	\$11,853,198	\$10,120,000	\$10,120,000

- The Governor's recommended increase of \$32,971 from other funds for personal services in this program is for FY 2007 salary policy.

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.